



STATE OF SOUTH CAROLINA  
DEPARTMENT OF REVENUE  
**SOLAR ENERGY  
SYSTEM CREDIT**  
Attach to your Income Tax Return

**SC SCH. TC-38**

(Rev. 2/21/07)  
3430

**20**

Names As Shown On Tax Return

SS No. or Fed. EI No.

**Installation of Solar Energy Credit Computation**

1. Cost incurred in installing a solar heating and/or cooling system in a building owned by the taxpayer . . 1. \_\_\_\_\_
2. Maximum credit amount. Multiply line 1 by 25% (0.25). . . . . 2. \_\_\_\_\_
3. Maximum single year credit amount . . . . . 3. 3,500.00
4. Enter the smaller of lines 2 and 3 . . . . . 4. \_\_\_\_\_
5. Current year tax liability. . . . . 5. \_\_\_\_\_
6. Current year credit limit. Multiply line 5 by 50% (0.50). . . . . 6. \_\_\_\_\_
7. Enter the smaller of lines 4 and 6. This is your current year credit. Enter this amount on the appropriate tax credit schedule . . . . . 7. \_\_\_\_\_
8. Line 2 minus line 7. This amount can be carried forward for up to 10 years . . . . . 8. \_\_\_\_\_

**General Information**

For installation costs incurred in tax years beginning on or after January 1, 2006, a taxpayer who installs a solar energy heating or cooling system, or both, in a building owned by the taxpayer is allowed an individual or corporate income tax credit of 25% of the costs incurred in installing the system. The credit must not be claimed before the installation is completed, and must be claimed for the year the costs are incurred. The amount of the credit may not exceed \$3,500 or 50% of the taxpayer's tax liability for that taxable year, whichever is less. If the amount of the credit exceeds \$3,500, the taxpayer may carry forward the excess for up to 10 years.

A solar energy heating or cooling system includes all controls, tanks, pumps, heat exchangers, and other equipment used directly and exclusively for the conversion of solar energy for heating or cooling. It does not include any land or structural elements of the building such as walls and roofs or other equipment ordinarily contained in the structure.

**Social Security Privacy Act Disclosure**

It is mandatory that you provide your social security number on this tax form if you are an individual taxpayer. 42 U.S.C 405(c)(2)(C)(i) permits a state to use an individual's social security number as means of identification in administration of any tax. SC Regulation 117-201 mandates that any person required to make a return to the SC Department of Revenue shall provide identifying numbers, as prescribed, for securing proper identification. Your social security number is used for identification purposes.

**The Family Privacy Protection Act**

Under the Family Privacy Protection Act, the collection of personal information from citizens by the Department of Revenue is limited to the information necessary for the Department to fulfill its statutory duties. In most instances, once this information is collected by the Department, it is protected by law from public disclosure. In those situations where public disclosure is not prohibited, the Family Privacy Protection Act prevents such information from being used by third parties for commercial solicitation purposes.